NJCFS Newsletter
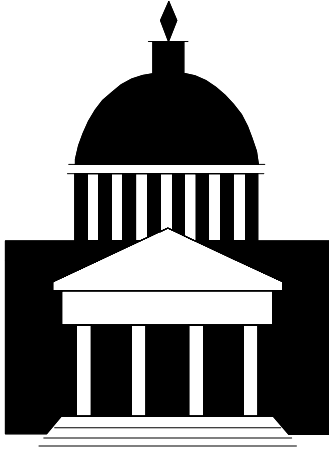
OFFICE OF MANAGEMENT AND BUDGET
ACCOUNTING BUREAU

HOLD CHECKS

The "Hold" feature of the NJCFS provides users with the ability to interrupt the automatic mailing of check payments so that the designated checks are held for agency disposition. Hold checks are identified in the system by entering the appropriate two-digit numerical code in the Check Category field on the payment transaction. Since the Hold check process is a costly manual process, its use should be closely restricted by agencies to those situations that have a valid justification. Examples of payments that legitimately require the use of the Hold feature include those: to foreign vendors when special handling and additional postage is necessary, to vendors when additional documentation must be attached to the check, for real estate closings when the check must be presented in person by the agency representative and for employee travel advances when timing of travel events does not permit the routine mailing of checks.

The Hold feature should never be used for employee travel expense reimbursements or for any other payment situation for which the standard automated disbursement process is adequate. By agencies restricting the use of this feature, significant cost savings to the State can be realized. OMB will continue to monitor the use of this feature to ensure its proper use and may reject payments for which the use of a Hold check category code is deemed inappropriate.

When to Use the Hold Feature:

- Payments to overseas vendors requiring special handling and extra postage.
- Payments where additional documentation must accompany payment.
- Real estate transactions when a check must be presented in person.
- Employee travel advances when timing of the trip will not permit mailing of the check.

We're on the Internet!

You can find this issue and all past issues of the NJCFS Newsletter by clicking on the **Newsletter** menu item at the OMB website:
www.state.nj.us/treasury/omb/index. html

WIRE PAYMENT PROCEDURES

Payments made by Wire electronic transfer must be made by adhering to the following procedures in a timely manner:

1. User agencies must enter the U1 or A1 payment voucher; the Check Category field must be **"WI."** In addition to the online transaction, a voucher is required to include such bank information as wire date, amount, American Banking Association (ABA) routing number and bank number of the payee. This documentation must be submitted to OMB.

2. Agencies must apply only the first three levels of approval to the transactions. OMB must apply final approval level and process the transaction to ensure that NJCFS records are consistent with the date that Cash Accounting actually wires the money. Otherwise, bank reconciliation problems will arise.

3. Payment vouchers for wire payments should be submitted to:

   Lynn Hudzina, Accounting Bureau
   33 West State Street—5th Floor
   PO Box 221
   Trenton, NJ 08625-0221

Payment vouchers for wires may also be submitted by fax to OMB. The fax number is 609-984-5210.

All payment vouchers that require wires should be received by OMB **no later than 3:30 p.m. of the day prior to the date that the wire transmission is to take place**. All inquiries concerning wires should be directed to Lynn Hudzina, Applications Analysis/Interfaces Unit at 609-984-6401.

EZ PASS ACCOUNTS

The use of EZ Pass toll devices on participating New Jersey highways, bridges and tunnels cuts time and costs.

State agencies may authorize the establishment of accounts for EZ Pass automatic toll collection devices to be used on State vehicles for official State business. The EZ Pass payment method, in addition to providing convenience for drivers, results in a lower toll charge to the State.

The New Jersey Purchasing Card (P-Card) may be used by State agencies to open EZ Pass accounts and expense object 3015, "P-Card EZ Pass" should be charged in MACS-E. The pre-paid accounts will be subject to agency procedures concerning reconciliation and certification of the charges that appear on the monthly statements.

In addition, State employees with personal EZ Pass accounts can continue to be reimbursed for toll charges related to travel on State business. These charges are reimbursed as any other toll charges, with the employee providing a copy of his or her personal EZ Pass statement with the State charges highlighted. These costs are charged to expense object 3010, "Travel - State Business."

NEW NJCFS UPLOAD PROCESS

The Accounting Bureau has developed a new, user-friendly method of uploading payment voucher transactions into NJCFS. This method, utilizing an Access database application, improves upon the previous mechanism of uploading transactions via a Lotus spreadsheet shell.

Unlike the spreadsheet shell, the database version stores and automatically increments both the batch and document numbers. In addition, the Access version makes use of fixed length data entry fields that cannot be altered in error. The account code distribution itself and other common data elements can be entered in a system administration area to facilitate duplication across the input screens of an entire upload. These input screens resemble the online NJCFS input screens.

Contact Ken Warner of the Accounting Bureau at (609)984-5818 or via email at **warner_k@tre.state.nj.us** for a copy of the Accounting Bureau's Access upload application. A reference guide that demonstrates and explains the features of the new upload program is also available from Ken.
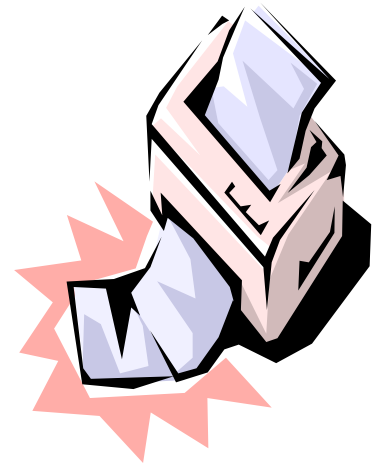
ACH INITIATIVE

"…inviting the vendor to make use of the quicker, less expensive and more efficient ACH payment method."

The Accounting Bureau is continuing its initiative to increase the number of State of New Jersey vendors that utilize the NJCFS Automated Clearing House (ACH) payment method. Employees of the Accounting Bureau recently completed a mailing of ACH enrollment forms to 1,300 State vendors that received a high volume of checks during calendar year 2000. Attached to each enrollment form was a memo inviting the vendor to make use of the quicker, less expensive and more efficient ACH payment method.

Any questions related to this project should be directed to Rich Mutek of the Accounting Bureau at (609)292-0051.

ACH VENDOR CODE USAGE

Agencies are reminded to use ACH-designated vendor codes when making payments to vendors. These ACH-designated vendor codes can generally be identified by a location code that ends with an "8". The ACH flag on the VEND record is set to "Y" for these records and their related banking information is stored on the NJCFS Automated Clearing House Table (ACHT).

Agency personnel are requested to consult the VEND screen when making a payment to determine if the vendor has an ACH-designated vendor code that should be used. The "00" location code on the VEND record of vendors who have requested the ACH method of payment indicates by the notation in the COMMENTS field that the "8" vendor record should be used when making payments. Only by making use of the location code that ends in "8" will these vendors receive payment via ACH. Questions related to the ACH payment method should be directed to Rich Mutek of the Accounting Bureau at (609)292-0051.

QUESTIONS AND ANSWERS

Q. What is the purpose of the "P/F" indicator on travel vouchers? Does this close out the trip?

A. The Partial/Final Indicator (P/F) on a travel voucher is designed to permit an agency to cancel the unused portion of a Travel Authorization when the user is certain that the payment is the last that will be needed. By using the "F" indicator, the user instructs the system to make a payment in the amount of the travel voucher but also to cancel any open balance on that line of the referenced document. By canceling, the system will reverse the transaction in the amount of the open balance and return the unused amount to the agency's uncommitted balance.

This close-out activity will be reflected on the open item travel tables where the actual amount paid will appear in the appropriate expense category field on the OTH2 Table and the authorized amount on the OTH1 and OTLT Tables will be reduced to reflect the cancellation of the unused balance. This effect is also visible on the Open Requisition tables (ORQH and ORQL) where the Closed Amount will be the same as the original amount of the requisition while the Obligated Amount will be the total actual amount obligated or expended.

By using the Final Indicator, the agency eliminates the need to enter a separate TE modification transaction to cancel unused balances. The P/F Indicator also appears on other payment voucher types as well as on purchase order transactions. The feature works in the same way on all of these transactions.

Q. A payment voucher has been processed in NJCFS. Why has the vendor not been paid?

A. Every vendor with whom the State does business (including any State employee being paid for something other than payroll) must complete a W-9 form before payment can be made. A common reason why vendors may not have been paid is that they have not returned a completed W-9 form. You can tell if a vendor has returned a W-9 form by checking the W-9 information fields on the Vendor Table (VEND.)

The "W9 Rec'd" field appears on the lower third of the VEND screen. This field will contain a "Y" if the form was properly completed and returned by the vendor to OMB. An "N" in this field indicates that the form was not returned; in those situations, the vendor is put on hold. There is a "Hold" field on this table as well. A "Y" indicator in that field means that the vendor record will not permit the issuance of any payments. OMB will change the Hold indicator from Y to N only upon receipt of a properly completed W-9 form from the vendor.